

# *Westmore Fuel*

Greenwich, CT

HOD # 44

March 4, 2013

Co-Chair John W. Fonfara  
Co-Chair Patricia M. Widlitz  
Senator Scott L. Frantz  
Representative Sean J. Williams

Finance, Revenue and Bonding Committee:

My name is Rick Bologna, I own and operate a home heating oil company located in Greenwich by the name of Westmore Fuel. The company was started by my grandfather 75 years ago and we still serve our customers in southwest Connecticut today. I am a past Chairman of CEMA (formerly ICPA) and currently serve on the Board of Directors.

I am here today to testify on **section 18 of S.B. 843, AN ACT CONCERNING REVENUE ITEMS TO IMPLEMENT THE GOVERNOR'S BUDGET.**

Section 18 of S.B. 843 would allow natural gas utilities to provide customers that are more than 150 feet off of a gas main with a \$500 credit on their bill to commit to switch to gas. These credits will be paid for with \$5 million that would have come to the state through the utilities gross earnings tax.

In the scope of the state budget, \$5 million may not sound like a lot of money, but \$5 million at \$500 per customer equals 10,000 customers per year that will be enticed to switch from heating oil and other fuels to natural gas.

What the language in section 18 means to my business is that the state is creating an incentive that will take my customers and push them toward a monopoly.

My entire career has been spent competing against other oil dealers, propane dealers and the utilities. Some years we gain customers and some years we lose customers – that is the nature of a free market where competition is fair and vibrant. But now, the language in S.B. 843 will tip the scale in favor of the natural gas utilities at the expense of mom and pop oil dealers like me.

How can I be expected to survive in a market that the government decides to get involved in on the side of my competition? It is totally unfair to incentivize fuel switching with state tax dollars.

I understand that the \$5 million will help the utilities identify areas to expand their business, and I would like to examine why they need the state to pay for them to grow their customer base. When my company and the hundreds like mine throughout the state what to grow we have to invest our own money or borrow to do so. There is no government help when my company wants to grow.

The reason the utilities are not in every neighborhood in Connecticut, is because they chose not to invest their own capital to do so. In stark contrast, the family owned home heating oil dealers that are found in virtually every town in our state, invested in and grew their business over the last 125 years so that they could sell our product to every home and business in Connecticut. Now section 18 provides the utilities with state funding that they should have to come up with on their own if they want to grow.

If you want consumers to save on their energy bills, then fuel switching is not the answer. Conserving fuel is the only proven way to reduce energy costs. Commodity prices are unpredictable and no one has a crystal ball to see into the future. Yankee Gas states at the end of their commercials that current prices are not a guarantee of future savings. How can the state bet on natural gas being cheaper than oil for decades to come when Yankee Gas won't do it?

**I ask that the Finance, Revenue and Bonding Committee amend the language in section 18 of S.B. 843 to allow for fuel neutral energy efficiency upgrades to heating systems and abandon the language that incentivizes fuel switching.**

I would be happy to answer any questions you may have at this time.

Thank you.

Respectfully,

*Rick Bologna*